

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6458

BILL NUMBER: SB 339

NOTE PREPARED: Feb 26, 2013

BILL AMENDED: Feb 20, 2013

SUBJECT: State Gross Retail Tax.

FIRST AUTHOR: Sen. Kruse

FIRST SPONSOR: Rep. Morris

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides a Sales Tax exemption for feed purchased to produce food and food ingredients that are for personal consumption.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Department of State Revenue (DOR)* - This bill could increase the DOR's administrative costs. The DOR may have to amend Sales Tax forms and computer software to incorporate the provisions of this bill. The bill's requirements are within the DOR's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues: (Revised) The bill exempts feed purchased for animals that will be used to produce food and food ingredients for personal consumption. Sales Tax revenue will decrease to the extent that individuals purchase feed for such purposes. Because data on these types of feed purchases are unavailable, the estimated impact of the exemption is indeterminable but could be significant.

Sales Tax revenue is distributed primarily to the state General Fund (99.848%). In addition, 0.123% is deposited in the Commuter Rail Service Fund, and 0.029% is deposited in the Industrial Rail Service Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: Local revenues will decrease to the extent that a local unit receives funds

from the Commuter Rail Service Fund or the Industrial Rail Service Fund.

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Lauren Sewell, 317-232-9586.